

DEPARTMENT OF COMMERCE AND LABOR.

JANUARY 6, 1903.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. MANN, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT.

[To accompany S. 569.]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 569) to create a new executive department of the Government to be known as the department of commerce and labor, having had the same under consideration, beg leave to make the following report and recommendation:

The only provisions in the Constitution in regard to Executive Departments of the Government are found in section 2 of article 2, wherein it is provided that the President "may require the opinion, in writing, of the principal officer in each of the Executive Departments upon any subject relating to the duties of their respective offices;" and, again, that "Congress may by law vest the appointment of such inferior officers as they think proper in the President alone, in the courts of law, or in the heads of departments."

Just what constitutes an "executive department" or the "head of a department" has not been fully determined. It is quite certain, however, that the head of such department shall not necessarily be called into the President's Cabinet in order to constitute the department an executive department within the meaning of the Constitution.

The President's Cabinet is extraconstitutional. It is not provided for by law, but exists voluntarily and by force of custom. It has become the custom, however, that when a department is created and the head thereof is denominated "secretary" or "general" to consider him as a Cabinet officer. There is, of course, nothing to prevent the President from requesting the head of any other department to attend the meetings of what is called the Cabinet. But the force of custom as it now exists is very strong. No departure from it is likely to soon occur.

The meetings of the Cabinet necessarily exercise a tremendous influence upon the policies of the Executive. A department which is represented in the Cabinet is thereby given a great advantage.

The création of a new executive department, the head of which shall be a member of the Cabinet, is no light matter. Only two additions to the Cabinet have been created by Congress in over a century. The Departments of State, War, Treasury, and Navy, and the Attorney-General and Postmaster-General were established during the eighteenth century and during the first ten years of the existence of our Government under the present Constitution.

EXISTING EXECUTIVE DEPARTMENTS.

The State Department was the first executive department created and was established under the title of the Department of Foreign Affairs by act of July 27, 1789, the title of the Department being changed to Department of State by act of September 15, 1789.

The Department of War was created by act of August 7, 1789.

The Department of the Treasury was created by act of September 2, 1789.

A salary for the Attorney-General of the United States was provided for in the act of September 23, 1789, and the office of Attorney-General was created in the last section of the act of September 24, 1789. The Attorney-General has always been one of the President's family of advisers known as a Cabinet officer, although his office was not in terms referred to as an executive office until the act of June 22, 1870, establishing the Department of Justice.

A temporary Postmaster-General was provided for by the act of September 22, 1789, and by the act of May 8, 1794, a general post-office was established at the seat of the Government with a Postmaster-General in charge. The Postmaster-General became undoubtedly the head of one of the Executive Departments of the Government, but the law did not in terms so refer to him until the act of June 8, 1872, establishing an executive department to be known as the Post-Office Department.

The Department of the Navy was created by act of April 30, 1798.

The six departments referred to above were all established practically at the commencement of the Government under the Constitution.

There have been many requests for the creation of new Executive Departments of the Government in behalf of various interests since that time, but Congress has been very conservative about granting such requests.

By the act of March 3, 1849, the Department of the Interior was established, but the name given to it in the title of the original act was a "Home Department." The Department of the Interior was intended as a "home" Department. It was to have charge of those internal affairs which needed representation in the President's Cabinet. The Interior Department is one of the greatest Departments of the Government in extent of its varied interests and the number of its employees. Many of its different bureaus or branches, however, have no connection or relationship to each other, and it is not a homogeneous Department.

The Department of Agriculture was established by act of May 15,

1862, and placed in charge of a Commissioner of Agriculture, who was not, however, considered as a Cabinet officer.

By act of February 9, 1889, it was provided that the Department of Agriculture should have a Secretary of Agriculture at its head, and the Secretary of Agriculture is considered a member of the Cabinet.

The Commissioner of Agriculture, within the meaning of the Constitution, was as much the head of a department as the Secretary of Agriculture. He might as readily have been called to attend the meetings of the Cabinet; but it never has been the policy of the President to unduly extend the size of his Cabinet. To add greatly to its numbers would destroy its efficiency. It never has been the policy, therefore, of Congress to easily create a new head of an executive department who, under the custom, would be entitled to the courtesy of a seat in the Cabinet.

RECLASSIFICATION OF ATTACHED BUREAUS.

The desire to restrict the number of Executive Departments represented in the President's Cabinet has caused Congress to place in various existing departments many subjects not at all related to the original purpose of the department. For instance, under the Department of the Treasury we have the office of Supervising Architect, the Bureau of Statistics, the Life-Saving Service, the Office of Steamboat Inspection, the Light-House Board, the Coast and Geodetic Survey, the National Bureau of Standards, and the United States Health Service.

Under the Department of War we have the improvement of rivers and harbors as aids to navigation.

Under the Department of the Navy we have the Hydrographic Office, the Naval Observatory, the Director of the Nautical Almanac.

While outside of any of the principal Executive Departments we have the Interstate Commerce Commission, the Department of Labor, the Civil Service Commission, the Commissioner of Fish and Fisheries, and the Smithsonian Institution, including under its control such scientific divisions as the National Museum, the Bureau of American Ethnology, the National Zoological Park, and the Astrophysical Observatory.

It is quite apparent from a casual examination that a proper rearrangement of the various divisions and branches of the Government service might in some cases be of considerable benefit. It is also apparent that those things which grow can never have the same degree of uniformity and regularity as do those things which are made to order.

The study which your committee has made of this subject, however, convinces us that a rearrangement and reclassification of the different bureaus and divisions of the public service devoted to scientific pursuit might well be made with great resulting benefit.

The original six Executive Departments were each created because of a necessity and propriety which was apparent. The Interior Department was created because at the time it seemed very desirable to relieve some of the other departments of what were to them excrescences, and also create an official adviser to the President who would give particular attention to the growth and development of our country internally.

The Department of Agriculture was established from a sense of eminent fitness, and its work has more than justified the most ardent prophecies of those who urged its creation.

The same may be said of all the scientific divisions in the different departments. The Weather Bureau, for instance, is the foremost meteorological institution in the world. The Geological Survey is not equaled in any other country. The Coast and Geodetic Survey is the envy of all other nations. The Naval Observatory and the Nautical Almanac direct the course of the shipping of the world. Equal praise might well be given to many other scientific branches of the Government.

It is very evident, however, that some of the statistical or other scientific bureaus of the Government have no special connection with the general purpose of the departments in which they happen to be respectively located.

REASONS FOR NEW DEPARTMENT.

Having in view the conservatism of Congress in regard to creating new seats in the Cabinet, your committee has carefully examined the proposition to create a new department of commerce and labor. We have had called to our attention the fact that interested and public-spirited persons are now urging Congress to establish several new Cabinet positions by creating various new departments, such as the department of commerce, the department of labor, the department of mines and mining, the department of education, etc. It is evident that not more than one new department of the Government is likely to be created at this time in view of our past policy, but it has seemed to your committee that the enormous interests in our country not engaged in agriculture, but now engaged in trade and transportation, in manufacturing and mechanical pursuits, might well have gathered together into one new Executive department of the Government those branches of the public service clearly related to their interests and which could easily be detached from the Departments in which they now are. We think also that the Government might well give special consideration to the home industries of our country by giving them direct representation in the Cabinet as well as by the creation of some new bureaus devoted to their interests.

INDUSTRIAL GROWTH.

The growth of business and laboring interests of our country in recent years has been enormous, as shown by the following table:

	1870.	1880.	1890.	1900.
Persons engaged in:				
Trade and transportation.....	1, 229, 399	1, 866, 481	3, 326, 122	4, 778, 238
Manufacturing and mechanical pursuits.....	2, 679, 278	3, 784, 726	5, 678, 468	7, 112, 987
Total.....	3, 908, 677	5, 651, 207	9, 004, 590	11, 891, 220

The following table shows the growth of various industries of the United States from 1860 to 1900:

Internal industries.

	1860.	1890.	1900.
Manufactures:			
Number of establishments	140,433	355,415	512,339
Average number of employees and salaried officials	1,311,246	4,712,622	5,713,976
Wages and salaries	\$378,878,966	\$2,283,216,529	\$2,732,921,528
Value of products	\$1,885,861,676	\$9,372,437,283	\$13,014,287,498
Railways:			
Miles in operation	30,626	166,654	194,321
Number of passengers carried		492,430,865	576,865,230
Tons of freight carried		636,541,617	1,101,680,238
American vessels:			
In domestic trade	2,807,631 tons.	3,477,802	4,338,145
On the Great Lakes	467,774 do.	1,063,063	1,565,587
Postal growth:			
Number of post-offices	28,498	62,401	76,688
Receipts of Post-Office Department	\$8,518,067	\$60,882,097	\$102,354,579
Telegraph messages		55,878,762	63,167,783
Production compared:			
Gold	\$46,000,000	\$32,845,000	\$79,171,000
Silver	\$150,000	\$70,485,714	\$74,535,495
Coal	18,513,123 tons.	140,866,931	240,965,917
Petroleum	21,000,000 gallons.	1,924,552,224	2,661,238,568
Pig iron	821,223 tons.	9,202,703	13,789,242
Steel	do.	4,277,071	10,188,329
Copper	do.	115,966	270,588
Wool	60,264,913 pounds.	276,000,000	288,636,621
Wheat	173,104,924 bushels.	399,262,000	522,229,505
Corn	835,792,740 do.	1,489,970,000	2,105,102,516
Cotton	4,861,292 bales.	7,311,322	9,436,416
Sugar	190,040 tons.	136,503	149,229
Tin plates	do.	13,646,719	677,969,600
Vessels passing through Sault Ste. Marie Canal, tonnage	403,657	8,454,435	22,315,834

α For 1892.

GROWTH OF FOREIGN COMMERCE.

The following table shows the growth of foreign commerce of the United States from 1860 to 1900:

	1860.	1890.	1900.
Merchandise:			
Imports	\$353,616,119	\$789,310,409	\$849,941,184
Exports	\$333,576,057	\$857,828,684	\$1,394,483,082
Gold and silver:			
Imports	\$8,550,135	\$33,976,326	\$79,829,486
Exports	\$66,546,239	\$52,148,420	\$104,979,034
Manufactures of iron and steel:			
Imports	\$21,526,594	\$41,679,591	\$20,478,728
Exports	\$5,703,024	\$25,542,208	\$121,913,648
Cotton:			
Imports of raw cotton	2,005,529 pounds.	8,606,049	67,398,521
Exports of domestic cotton	1,767,686,338 do.	2,471,799,853	3,100,583,188
Receipts from customs	\$53,187,512	\$229,668,585	\$233,164,871

FURTHER COMPARISONS.

We have hardly thought it fair to make a comparison of the present with a century ago, but a comparison of the present with a period immediately preceding the civil war has seemed apt and proper.

The population of our country in 1860 was 31,443,321; in 1900, 84,233,069; the population at the present time is estimated at 87,233,000.

The true valuation of the real and personal property of the country constituting its wealth, was, in 1860, \$16,159,616,000, and in 1900 \$94,300,000,000.

The total number of depositors in savings banks in 1860 was 693,870; in 1900, 6,107,083. We have no record of the total deposits in banks in 1860, but in 1880 they amounted to \$2,306,000,000; in 1890, \$3,998,000,000, and in 1900 to \$7,464,000,000.

The number of farms in 1860 was 2,044,077; in 1890, 4,564,641, and in 1900, 5,739,657.

The total value of farm animals was, in 1860, \$1,089,329,915, and in 1900, \$2,981,722,945.

The total value of farm products was, in 1870, \$1,958,030,927, and in 1900, \$3,764,177,706.

Our exports of domestic cotton in 1860 amounted to 1,767,686,338 pounds, but after the abolition of slave labor the amount of export cotton fell, in 1870, to 958,358,523 pounds.

For the fiscal year of 1902 our exports of domestic cotton amounted to 3,500,778,763 pounds.

The above figures exhibit an unparalleled industrial and commercial growth.

But there remains much to be done in the future. The industrial development of our country is far from having reached maturity. For instance, last year we exported 3,500,000,000 pounds of cotton. Much, if not most, of this ought to have been manufactured in mills in our own country into cotton goods before shipment abroad.

SIMILAR DEPARTMENTS IN OTHER COUNTRIES.

In the peaceful but fierce struggle for supremacy in the markets of the world, our people ought not to be handicapped by reason of having no one to specially speak for their interests among the advisers of the President. Other countries have cabinet officers especially devoted to industries and commerce. The United States is almost the only one of the leading nations which fails to have an executive department to promote the interests of commerce and industry.

England has her board of trade whose president is a cabinet officer, and her supremacy in the world's commerce is largely owing to the influence of her board of trade.

Germany has a minister of commerce.

France has a minister of commerce.

Belgium has a minister of industry and labor.

Austria has a minister of commerce and national economy.

Hungary has a minister of industry and commerce.

Russia has a special imperial cabinet of four sections, one of which is devoted to agriculture and manufacture.

The Netherlands has a minister of public works and commerce.

Spain has a minister of agriculture and commerce and public works.

Portugal has a minister of public works, industry, and commerce.

Switzerland has a minister of agriculture and industry.

Italy has a minister of industry and commerce.

Persia has a minister of commerce.

Most of the Spanish-American countries have cabinet officials whose functions are distinctly commercial in character.

EFFECT OF NEW DEPARTMENT.

Our people should be given every facility in their efforts to extend their influence in the markets of the world. Our people at home should also have the benefits which may come from the application of scientific investigation and scientific principles in the manufacture and transportation of the commodities which they use.

It is very evident to all that the General Government must, in some way and manner, enter upon the regulation of the modern corporation which, with immense capital, seeks absolute control of the markets for its own commodities.

Such regulation, if wise, will benefit and not injure the manufacturing and transportation industries; but if the attempt to regulate be made without due caution and be carried on with bitterness and without wisdom, it may cause a far greater injury to our people and the industries of our country than the evil which we seek to combat.

The Home or Interior Department was created in 1849. Following its creation came the homestead and some other land laws which have done so much toward the rapid upbuilding of the Far West.

Within its few years of active development the Agricultural Department, through its scientific bureaus, has been of inestimable benefit.

We believe that similar results can be accomplished through a department of industries which will seek, through statistical and other scientific investigation, both at home and abroad, to furnish information which will result in inestimable advantage to our people. The manufacturing and commercial interests of our country, now swollen to such enormous proportions, urgently request that they be given the consideration of a department especially devoted to the acquirement of information which will be useful to all people engaged in those pursuits.

With a proper person, of liberal mind, broad information, the acquaintance of a lifetime with subjects of trade, labor, and commerce, with a knowledge of the wants and needs of business, named by the President as the head of a new department of industries, the development of our country, both commercially and industrially, during the next few years would be accelerated to a degree not now believed possible.

If a department of industries be created, Congress ought, in order to make it most useful and effective, to transfer to it those existing branches and departments of the public service germane to the subject of commerce, manufactures, and other industries, so far as they can be transferred without too great friction and without crippling other departments of the service.

BUREAUS OMITTED.

The bill as it came to your committee from the Senate proposed to transfer to the new department the following:

From the State Department, the Bureau of Foreign Commerce.

From the Treasury Department, the Life-Saving Service, the Light-House Board, the Light-House Service, the Marine-Hospital Service, the Steamboat-Inspection Service, the Bureau of Navigation, the United States Shipping Commissioners, the Bureau of Immigration, the Bureau of Statistics.

From the Interior Department, the Census Office.

It also transferred the independent Department of Labor and the office of Commissioner of Fish and Fisheries.

Your committee has concluded, after investigation, that some of these transfers, if made under the pending bill, would create considerable confusion without corresponding benefit.

The Life-Saving Service is at the present time dependent to a certain extent upon the Revenue-Cutter Service, and the Revenue-Cutter Service is a part of the customs service, so that no transfer could be made without making provision for other inspectors of the Life-Saving Service and without various changes in existing law. It seems, however, certain that in so far as the Life-Saving Service is now a collector of marine statistics its duty in this respect ought to be transferred to the new department, which it is proposed to make the center of statistical information in the Government.

The United States Health Service, formerly termed the Marine-Hospital Service, has certain duties to perform in connection with quarantine which might produce a conflict of authority with the Treasury Department if that service should be transferred from the Treasury Department to the new department.

Possibly the Steamboat-Inspection Service might be transferred without great injury to the public interests, but that Bureau has largely to do with collectors of customs at the different ports, and it has not been thought wise by your committee at this time to recommend its transfer.

There are some very strong reasons in favor of the transfer of the Bureau of Navigation and the United States Shipping Commissioners from the Treasury Department to the new department. The title of the Bureau of Navigation, however, is not an entirely correct description of the duties of that office. The Bureau has to do with the collection of tonnage taxes. The tonnage taxes are collected from a ship on her entry from a foreign port through a collector of the port. The act of Congress provides that on all questions of interpretation growing out of the laws as to the question of tonnage taxes and the refund of such taxes when collected erroneously or illegally the decision of the Commissioner of Navigation shall be final.

While, therefore, the collection of the tonnage tax is made by the collector of customs, the legality or accuracy of any tax goes to the Bureau of Navigation for determination. It is very evident that in order to preserve symmetry in the matter of the collection of tonnage taxes it would be necessary to have a revision of the laws upon the subject before a transfer of the Bureau of Navigation could safely be made from the Treasury Department. We have not, therefore, included the transfer of the Bureau of Navigation to the new department in the bill as recommended by your committee for passage.

The United States shipping commissioners are officers of the Treasury Department, located at the principal ports, engaged in supervising the affairs of seamen. All seamen who enlist as members of crews of vessels are required to enter into a contract with a proper officer or owner of a vessel before a United States shipping commissioner. He looks after them to see that no unfair advantage is taken of them, and generally looks after their welfare. These commissioners report directly to the Bureau of Navigation and through the Bureau of Navigation to the Secretary of the Treasury. The Commissioner

of Navigation exercises a sort of appellate jurisdiction over the contracts or form of contracts entered into by the seamen.

While it would seem desirable, for some reasons, to have the United States shipping commissioners under the control of a department of commerce and labor, yet, under existing laws, their duties are so affected by their relationship to the Bureau of Navigation and the collectors of customs at the various ports that it is not deemed desirable at the present time to recommend the transfer of the Bureau from the Treasury Department.

BUREAUS TRANSFERRED TO NEW DEPARTMENT.

The Light-House Service is maintained as an essential aid to commerce. It is an establishment by itself, not closely interwoven with other branches of the Treasury Department, and may well be placed in the new department.

The newly created National Bureau of Standards is a bureau which necessarily goes into a department primarily devoted to manufacturing and commercial interests. This Bureau is destined to exercise great influence upon the development of business and commerce of our country.

The Coast and Geodetic Survey is essentially a scientific bureau, and its work is mainly for the benefit of commerce or science.

The Bureau of Statistics presents some difficulties in the way of transfer from the Treasury Department. That Bureau derives its statistics in the first instance from collectors of customs; but its scope has been recently greatly broadened. The Treasury Department is not primarily a department devoted to the collection of statistics. Statistical information is of primary value to labor, commerce, and manufacturing. We think, too, that all of the branches of the public service directed to the collection and dissemination of statistics ought to be, as far as possible, gathered under one head.

The Census Office has recently been made a permanent bureau.

Your committee therefore recommends that the Light-House Service, the National Bureau of Standards, and the Coast and Geodetic Survey be transferred from the Treasury Department and placed in the new department. We also propose that the Bureau of Statistics be transferred from the Treasury Department, the Bureau of Foreign Commerce from the State Department, the Census Office from the Interior Department, and all placed in the new Department of Commerce and Labor, in order that the collection of statistical information, to which all three are primarily devoted, may be properly systematized and duplication of statistics may be omitted.

We recommend also the transfer of the Bureau of Immigration, including the jurisdiction of the Treasury Department over Chinese Immigration, from the Treasury Department to the new department of commerce and labor. The question of immigration is of particular importance to the labor interests of the country. The Bureau of Immigration ought to be in some department in connection with the Commissioner of Labor.

DEPARTMENT OF LABOR.

Your committee recommends that the Department of Labor, as now constituted, be made a part of the new department of commerce and labor.

There has been considerable opposition to this proposition. A majority of the leaders of organized labor, who have expressed any opinion upon the subject, have opposed the placing of the present Department of Labor in the new department. The opposition has been based upon the idea that whoever might be selected as secretary of the new department would be a representative of capitalistic influence and not of labor. In view of the opposition of some of the labor leaders to the inclusion of the Department of Labor in the proposed new department, your committee has given the subject careful and considerate examination. We are satisfied that the opposition is based upon a natural misunderstanding of the situation and a misapprehension as to the effect of such action.

The Department of Labor as now organized has its duties defined by statute. The statute provides that it shall be presided over by a Commissioner of Labor, to be appointed by the President. It is not proposed to make any change in these provisions of the statute. If the Department of Labor is included in the new department, the Secretary of the new department will not have the power to appoint the Commissioner of Labor, nor will he have power to prevent the Commissioner of Labor from discharging the duties now imposed upon that office by the present act of Congress.

It is impossible to see, therefore, how there can come any injurious effect from including the Labor Department in the new department of commerce and labor. As the law now exists the President can, at any time, name some one for appointment as Commissioner of Labor who may be adverse to labor and favorable to capital as against labor. It is not likely that any President will ever do this, and it is equally unlikely that he would do it if the Department of Labor were made a part of the department of commerce and labor.

One of the reasons which has been urged why the Labor Department should not be included in the new department is that there ought to be created a secretary of the Labor Department, with a seat in the Cabinet. Whether this is likely to be done in view of the conservative action in creating new Cabinet officers in the past, it is not for your committee to judge at this time. But it will be as easy to create a secretary of labor if the Department of Labor is, for the present, included in the new department as it would be if the Labor Department is left out by itself. In fact, it seems much more likely that the Labor Department will grow in the scope of its work, and hence be more likely to warrant the creation of a new Cabinet officer to represent labor interests if the proposed action is taken than would be the case if the Labor Department is left as it now is.

It has been a natural fear on the part of some of the labor leaders that the new secretary of commerce and labor would have a bias in favor of capital and against labor. Granting, for the sake of argument, that this may be true, it still would leave the Labor Department as well off as it now is. No bias of the secretary of commerce and labor could control or affect a Commissioner of Labor, who is not subject to removal by him and whose actions and reports are not subject to his control.

It may very properly be asked, then, why should the Department of Labor be included in the new department if the secretary of the new department will have no control over the Commissioner of Labor? The duties of the Commissioner of Labor largely relate to the col-

lection of information and publication of labor statistics. The Labor Department has a force of statistical experts. Congress occasionally, at the suggestion of the Labor Department, directs that department, by resolution, to gather, compile, and publish certain statistical information of interest to labor. This work is done in addition to the ordinary performance of duties of the Labor Department. There is much information of great value to labor and laboring men which the Department of Labor has not been able to gather, but which it might well and easily obtain if it could help to lay out and plan the work of the permanent Census Office.

The Department of Labor, as now constituted, is principally a statistical department. Most of its duties pertain to the gathering of statistical and other information. If the Department of Labor and the permanent Census Office are in one new department of the Government it will be an easy and natural thing for the Department of Labor to avail itself of the experts in the Census Office for the collection of statistics in addition to what are now collected, and which the Department of Labor can properly arrange for publication. Your committee believes that the value of the Department of Labor in the collection and publication of information will be increased many fold by including it in the same general department of the Government which contains the permanent Census Office and the other statistical bureaus of the Government.

Including the Department of Labor in the new department will also call attention in a public manner to much information which is now collected, but not made much use of. The Department of Labor has collected since its organization much useful information in reference to labor legislation. Very little of this information has ever been called to the attention of members of Congress in an effective way. It is a burden upon every member of Congress to endeavor to make an examination of the annual reports of the different general departments. A statement or recommendation included in the President's message is sure to be noticed. A statement or recommendation in the annual report of one of the Cabinet officers is likely to attract some attention; but the opinion or recommendation of the head of a branch of the service not connected with one of the general departments is apt to be overlooked—not from design, not from thoughtlessness, not from lack of interest, but from lack of time and endurance.

If the Commissioner of Labor is under the secretary of commerce and labor he will make a report to the secretary of commerce and labor. That report will be published with the annual reports of the department. If the secretary of commerce and labor approves of recommendations made by the Commissioner of Labor, he will so state in his annual report, and probably the matter will be called to the attention of the President, to go in his annual message. If the secretary of commerce and labor disapproves the recommendation made by the Commissioner of Labor he will say so in his report, and that will call attention to and advertise the recommendation of the Commissioner of Labor in a way which will call it to the attention of Congress. Undoubtedly, our National Government is behind many other countries in the way of some kind of labor legislation.

Your committee does not recommend the inclusion of labor in the new department for the purpose of suppressing labor information and agitation, but for the purpose of advancing the interests of labor, and

so that the need of labor legislation may properly be called to the attention of Congress.

Your committee has also recommended that the Commissioner of Fish and Fisheries, as well as the jurisdiction of the Treasury over the fur seal, salmon, and other fisheries in Alaska, be placed in and conferred upon the new department of commerce and labor.

DUTIES OF THE NEW DEPARTMENT.

Section 3 of the act which we recommend for passage provides that—

It shall be the province and duty of said department to foster, promote, and develop the foreign and domestic commerce; the mining, manufacturing, shipping, and fishery industries; the labor interests; the transportation facilities, and the insurance business of the United States.

BUREAU OF MANUFACTURES.

It is proposed to create in the new department a new bureau, to be called the bureau of manufactures, the chief of which shall be appointed by the President. The province and duty of said bureau shall be to foster, promote, and develop the various manufacturing industries of the United States, and markets for the same at home and abroad, domestic and foreign, by gathering, compiling, publishing, and supplying all valuable and useful information concerning such industries and such markets, and by such other methods and means as may be prescribed by the secretary or provided by law.

BUREAU OF INSURANCE.

The insurance interests of our country have become so great, and the business of insurance is so essentially a matter of interstate business, and hence largely beyond any effectual control by State authorities, that your committee has recommended the establishment of a bureau of insurance, the chief of which shall be appointed by the President. It is proposed that the duty of said bureau shall be to exercise such control as may be provided by law over insurance companies transacting business in the United States, and to foster, promote, and develop the various insurance industries of the United States by gathering, compiling, publishing, and supplying valuable and useful information concerning insurance companies and the business of insurance, and by such other methods and means as may be prescribed by law.

The fire loss in our country in 1901 amounted to over \$160,000,000. Undoubtedly much of this loss could have been prevented through the publication of proper information, and undoubtedly one effect of a bureau of insurance will be to gradually secure greater uniformity in building laws and ordinances, with a view to prevent the enormous waste now suffered annually by fire.

Some idea of the magnitude of insurance interests in our country may be obtained by a reference to the business of the life insurance companies in the single State of Connecticut. During the year 1901 the 30 life insurance companies of Connecticut received in premiums \$337,911,766, and received a total income of \$425,083,858. The assets of these companies on December 31, 1901, amounted to \$1,858,241,350,

and the amount of insurance in force on the same date was \$8,747,-226,743.

The accident, casualty, fidelity, surety, and miscellaneous insurance companies doing business in Connecticut in the same year had an income of \$30,402,353 and carried insurance with a risk of \$5,164,309,834.

Eighty-five domestic fire and marine insurance companies of the United States and thirty fire and marine companies of foreign countries, doing business in the United States, received, during the year 1901, premiums to the amount of \$148,917,206, and had a total of income amounting to \$175,261,787, and paid losses to the amount of \$91,280,379, and had insurance risks in force December 31, 1901, to the amount of \$22,507,245,944. These figures do not include all of the insurance companies doing business in our country and do not include a majority of the mutual companies.

It seems evident from figures cited that it is time for the National Government to take such notice of and exercise such control over insurance companies as it may be entitled to under the Constitution, to the extent, at least, of the publication of information of general interest.

BUREAU OF CORPORATIONS.

Your committee also recommends the creation of a new bureau, to be called the bureau of corporations, the province and duty of which bureau shall be to gather, compile, publish, and supply useful information concerning such corporations doing business within the limits of the United States as shall engage in interstate commerce or in commerce between the United States and any foreign country, and to attend to such other duties as may be hereafter provided by law.

The creation of this bureau will make it the duty of an officer of the Government to deal with the matter of corporation information, and to acquire knowledge and report recommendations concerning the manner and extent to which corporation transactions in interstate commerce shall be subjected to the influence of national legislation. Your committee believes that this is a practical step toward the legitimate control of corporations engaging in commerce among the States.

Your committee has not recommended any extended or specific legislation in regard to the character of information to be obtained or the manner of obtaining it, but has left that matter to await further legislation.

In the discussion which has generally been going on of late, and especially in those bills which have been introduced in Congress in relation to the securing of information from corporations, it has been generally suggested or provided that the collection of such information shall be had through the Interstate Commerce Commission.

The Interstate Commerce Commission is a semiexecutive and semi-judicial commission. It is engaged solely with transportation companies and with shipping interests. To place under its control the collection of all information in regard to corporations transacting interstate commerce would be to divert it from its present very onerous duties, which are sufficient to take up all of the time of the Commissioners, and would be to place a purely executive duty upon a Commission principally engaged in exercising semijudicial authority.

TRANSFER BY PRESIDENT OF OTHER BUREAUS.

It is certainly desirable to have the collection of statistical information under the control of one department of the Government so far as practicable. It is also highly desirable that some other branches of the public service, such as a portion of the work of the Geological Survey, be transferred to the new department, provided that transfer can be made without undue friction or injury to the department from which the transfer is proposed.

Your committee has therefore recommended a section in the act authorizing the President to transfer, by order in writing, at any time, to the new department of commerce and labor any branch of the public service engaged in statistical or scientific work.

It is not unlikely that this section of the bill will result in the transfer of the statistical end of the Educational Bureau to the new department. Under this section of the bill it is probable that a bureau of mines and mining will grow up out of the transfer of a portion of the work of the Geological Survey to the new department. Other changes and transfers will suggest themselves to the executive department which will result in the more thorough system of scientific investigation and in a great saving of work which is at present duplicated in different branches of the public service.

RECOMMENDATION OF COMMITTEE.

Your committee, after such consideration of the subject as it has been possible for them to make, recommend that the bill of the Senate (S. 569) be amended by striking out all after the enacting clause and substituting in lieu thereof the amendment or substitute presented with this report, so that said Senate bill will read as follows:

A BILL To establish the department of commerce and labor.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be at the seat of government an executive department to be known as the department of commerce and labor, and a secretary of commerce and labor, who shall be the head thereof, who shall be appointed by the President, by and with the advice and consent of the Senate, who shall receive a salary of eight thousand dollars per annum, and whose term and tenure of office shall be like that of the heads of the other Executive Departments; and section one hundred and fifty-eight of the Revised Statutes is hereby amended to include such department, and the provisions of title four of the Revised Statutes, including all amendments thereto, are hereby made applicable to said department.

Sec. 2. That there shall be in said department an assistant secretary of commerce and labor, to be appointed by the President, who shall receive a salary of five thousand dollars a year. He shall perform such duties as shall be prescribed by the secretary or required by law. There shall also be one chief clerk and a disbursing clerk and such other clerical assistants as may from time to time be authorized by Congress; and the Auditor for the State and other Departments shall receive all accounts accruing in or relative to the department of commerce and labor and examine the same, and thereafter certify the balance and transmit the accounts, with the vouchers and certificate, to the Comptroller of the Treasury for his decision thereon.

Sec. 3. That it shall be the province and duty of said department to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, shipping, and fishery industries, the labor interests, the transportation facilities, and the insurance business of the United States; and to this end it shall be vested with jurisdiction and control of the departments, bureaus, offices, and branches of the public service hereinafter specified, and with such other powers and duties as may be prescribed by law.

Sec. 4. That the following-named offices, bureaus, divisions, and branches of the public service, now and heretofore under the jurisdiction of the Department of the Treasury, and all that pertains to the same, known as the Light-House Board, the

Light-House Service, the National Bureau of Standards, the Coast and Geodetic Survey, the Commissioner-General of Immigration, the Bureau of Immigration, the Immigration Service at Large, and the Bureau of Statistics, be, and the same hereby are, transferred from the Department of the Treasury to the department of commerce and labor, and the same shall hereafter remain under the jurisdiction and supervision of the last-named department; and that the Census Office, and all that pertains to the same, be, and the same hereby is, transferred from the Department of the Interior to the department of commerce and labor, to remain henceforth under the jurisdiction of the latter; that the Department of Labor, and the office of Commissioner of Fish and Fisheries, and all that pertains to the same, be, and the same hereby are, placed under the jurisdiction and made a part of the department of commerce and labor; that the Bureau of Foreign Commerce, now in the Department of State, be, and the same hereby is, transferred to the department of commerce and labor and consolidated with and made a part of the Bureau of Statistics, hereinbefore transferred from the Department of the Treasury to the department of commerce and labor, and the two shall constitute one bureau to be called the bureau of statistics, with a chief of the bureau; and that the secretary of commerce and labor shall have complete control of the work of gathering and distributing statistical information naturally relating to the subjects confided to his department; and to this end said secretary shall have power to employ any or either of the said bureaus and to rearrange such statistical work and to distribute or consolidate the same as may be deemed desirable in the public interest; and said secretary shall also have authority to call upon other Departments of the Government for statistical data and results obtained by them; and said secretary of commerce and labor may collate, arrange, and publish such statistical information so obtained in such manner as to him may seem wise.

That the official records and papers now on file in and pertaining exclusively to the business of any bureau, office, department, or branch of the public service in this act transferred to the department of commerce and labor, together with the furniture now in use in such bureau, office, department, or branch of the public service, shall be, and hereby are, transferred to the department of commerce and labor.

SEC. 5. That there shall be in the department of commerce and labor a bureau to be called the bureau of manufactures, and a chief of said bureau, who shall be appointed by the President, and who shall receive a salary of four thousand dollars per annum. There shall also be in said bureau one chief clerk and such other clerical assistants as may from time to time be authorized by Congress.

It shall be the province and duty of said bureau, under the direction of the secretary, to foster, promote, and develop the various manufacturing industries of the United States, and markets for the same at home and abroad, domestic and foreign, by gathering, compiling, publishing, and supplying all available and useful information concerning such industries and such markets, and by such other methods and means as may be prescribed by the secretary or provided by law.

And all consular officers of the United States, including consul-generals, consuls, and commercial agents, are hereby required, and it is made a part of their duty, under the direction of the Secretary of State, to gather and compile, from time to time, useful and material information and statistics in respect to the subjects enumerated in section three of this act in the countries and places to which such consular officers are accredited, and to send, under the direction of the Secretary of State, reports as often as required of the information and statistics thus gathered and compiled, such reports to be transmitted through the State Department to the secretary of the department of commerce and labor.

SEC. 6. That there shall be in the department of commerce and labor a bureau to be called the bureau of insurance, and a chief of said bureau, who shall be appointed by the President, and who shall receive a salary of four thousand dollars per annum, and such clerical assistants as may from time to time be authorized by law. It shall be the province and duty of said bureau, under the direction of the secretary, to exercise such control as may be provided by law over every insurance company, society, or association transacting business in the United States outside of the State, Territory, or District wherein the same is organized, and to foster, promote, and develop the various insurance industries of the United States by gathering, compiling, publishing, and supplying all available and useful information concerning such insurance companies and the business of insurance, and by such other methods and means as may be prescribed by the secretary or provided by law.

SEC. 7. That there shall be in the department of commerce and labor a bureau to be called the bureau of corporations, and the chief of said bureau shall receive a salary of four thousand dollars per annum. There shall also be in said bureau such clerks and assistants as may from time to time be authorized by law. It shall be the province and duty of said bureau, under the direction of the secretary of commerce and labor, to gather, compile, publish, and supply useful information concerning such

corporations doing business within the limits of the United States as shall engage in interstate commerce or in commerce between the United States and any foreign country, and to attend to such other duties as may be hereafter provided by law.

Sec. 8. That the jurisdiction, supervision, and control now possessed and exercised by the Department of the Treasury over the fur-seal, salmon, and other fisheries in Alaska, as well as over Chinese immigration, including the authority conferred by the various acts in relation to the exclusion of Chinese upon collectors of customs, be, and the same hereby are, transferred to and vested in the department of commerce and labor; and the secretary of commerce and labor shall designate officials of his department to perform the duties and exercise the authority now conferred upon collectors of customs or other officials of the Treasury Department (who are not hereby transferred to the department of commerce and labor) in regard to Chinese exclusion and immigration.

Sec. 9. That the secretary of commerce and labor shall annually, at the close of each fiscal year, make a report in writing to Congress, giving an account of all moneys received and disbursed by him and his department, and describing the work done by the department in fostering, promoting, and developing the foreign and domestic commerce, the mining, manufacturing, shipping, and fishery industries, the transportation facilities, and insurance business of the United States, and making such recommendations as he shall deem necessary for the effective performance of the duties and purposes of the department. He shall also from time to time make such special investigations and reports as he may be required to do by the President, or by either House of Congress, or which he himself may deem necessary and urgent.

Sec. 10. That the secretary of commerce and labor shall have charge, in the buildings or premises occupied by or appropriated to the department of commerce and labor, of the library, furniture, fixtures, records, and other property pertaining to it or hereafter acquired for use in its business; and he shall be allowed to expend for periodicals and purposes of the library, and for the rental of appropriate quarters for the accommodation of the department of commerce and labor within the District of Columbia, and for all other incidental expenses, such sums as Congress may provide from time to time: *Provided, however*, That where any office, bureau, or branch of the public service transferred to the department of commerce and labor by this act is occupying rented buildings or premises, it may still continue to do so until other suitable quarters are provided for its use: *And provided further*, That all officers, clerks, and employees now employed in any of the bureaus, offices, departments, or branches of the public service in this act transferred to the department of commerce and labor are each and all hereby transferred to said department at their present grades and salaries, except where otherwise provided in this act: *And provided further*, That all laws prescribing the work and defining the duties of the several bureaus, offices, departments, or branches of the public service by this act transferred to and made a part of the department of commerce and labor shall, so far as the same are not in conflict with the provisions of this act, remain in full force and effect until otherwise provided by law.

Sec. 11. That all power and authority heretofore possessed or exercised by the head of any executive department over any bureau, office, branch, or division of the public service by this act transferred to the department of commerce and labor, or any business arising therefrom or pertaining thereto, whether of an appellate or revisory character or otherwise, shall hereafter be vested in and exercised by the head of the said department of commerce and labor. And all acts or parts of acts inconsistent with this act are, so far as so inconsistent, hereby repealed.

Sec. 12. A person, to be designated by the Secretary of State, shall be appointed to formulate, under his direction, for the instruction of consular officers, the requests of the secretary of commerce and labor; and to prepare from the dispatches of consular officers, for transmission to the secretary of commerce and labor, such information as pertains to the work of the department of commerce and labor; and such person shall have the rank and salary of a chief of bureau, and be furnished with such clerical assistants as may from time to time be authorized by law.

Sec. 13. That the President is hereby authorized to transfer, by order in writing, at any time, any office, bureau, division, or other branch of the public service engaged in statistical or scientific work, and not herein transferred to or included in the department of commerce and labor, to said department of commerce and labor; and in every such case the duties and authority performed by and conferred upon such office, bureau, division, or other branch of the public service so transferred shall be transferred with such office, bureau, division, or other branch of the public service, and all power and authority conferred by law upon the department from which such transfer is made, or the secretary thereof, shall immediately, when such transfer is so ordered by the President, be fully conferred upon and vested in the department of commerce and labor, or the secretary thereof, as the case may be.

Sec. 14. That this act shall take effect and be in force from and after its passage.

VIEWS OF MR. STEWART.

I am reluctantly constrained to differ fundamentally with the majority of the committee with reference to the wisdom and necessity of establishing a separate and distinct Cabinet department of "commerce and labor," or a distinct department of either commerce or labor.

A proper consolidation of existing statistical divisions scattered through the great Departments of the Government in one division under an existing Department would, in my opinion, fulfill all the conditions required by the proposed new department.

The alarming feature of the bill is that it will result, in my judgment, in transferring all the vexed questions of capital and labor which for years have harassed and embarrassed our State governments and municipalities to the arena of Federal discussion and agitation.

Being opposed to the whole scheme of a separate department of commerce or labor, it is unnecessary for me to discuss what I consider the objectionable provisions of the bill.

JAMES F. STEWART.

VIEWS OF THE MINORITY.

The undersigned members of the Committee on Interstate and Foreign Commerce are unable to agree with the committee in its favorable action on Senate bill No. 569, entitled "A bill to create the department of commerce and labor." We do not believe that it will promote the interests and welfare of the laboring classes, or the interests of the country, to transfer or include the Department of Labor in the proposed new department of commerce. It must be patent to the most casual reader of the evidence given in the hearings by the committee on this subject that the interest and care of labor in this proposed new department would be subordinate to other interests, and we can safely predict that the secretary of the department would not be a representative of either organized or unorganized labor.

The laboring classes are not asking for this transfer, but strong and earnest protests have been made against it, but the demand comes from other sources. By the act of Congress of June 27, 1884, the Bureau of Labor was established and placed in the Department of the Interior, which act provided for the appointment of a Commissioner of Labor. On the 13th of June, 1888, an act entitled "An act to establish a department of labor" was approved. This act of Congress provided that there shall be at the seat of government a Department of Labor. The Bureau of Labor organized and conducted in the Department of the Interior was abolished, and the independent Department of Labor was created and the authority of the Department and the Commissioner of Labor were enlarged as to all industrial interests and kindred subjects.

We do not hesitate to say that after a careful examination we believe that the record made by the Department of Labor since its establishment by Congress is highly creditable and has been of great benefit in the distribution of practical and useful information among all classes of people in all matters pertaining to labor in its most comprehensive sense. It has contributed to the uplifting of the working class of our people. It is not our purpose to clothe labor with any distinctive or particular interest and thus create a class antagonistic to some other special interest or class. The genius and theory of our Government is opposed to such legislation. However, we insist that no conditions or relations should be created by law that tend to promote or invite friction between the interests of capital and labor, but everything should be done to place them as near in accord as practicable.

The bill, to which we object, practically reduces the present Department of Labor to the position of a bureau in the new department of commerce and labor. This subordinate and overshadowed position that the Bureau of Labor will occupy in the proposed new department

will be such a discrimination as leads us to fear that distrust and suspicion will result in friction or create such relations as would seriously impair the usefulness and efficiency of the Department.

For these and other reasons we dissent to the report of the majority of the committee.

WILLIAM RICHARDSON.

ROBT. W. DAVIS.